



# Guttman Insights

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## **Gianni**

**Pieraccioni** is CEO of Maesa, a leading global incubator of beauty brands and a provider of strategic outsourcing and beauty turn-key solutions for other companies. Maesa has created and incubated successful, exclusive brands such as Kristin Ess Hair Care, Hairitage, TPH,



and Flower Beauty. It partners with a wide range of retailers, including Target, Walmart, and Ulta Beauty. Maesa offers products in the hair care, skin care, color cosmetics, bath and body, and fragrance categories. It is headquartered in New York City and maintains offices in seven countries.

In this issue, Gianni Pieraccioni, CEO of Maesa, a uniquely innovative company that has transformed the beauty industry by incubating and growing highly differentiated, stand-apart brands, discusses “innovative destruction” and how the high-performance model adds value within a creative enterprise. Howard M. Guttman offers “If I Were You” advice to leaders intent on transforming their organization without the shock and awe of big-bang approaches to change. Want to get things done in today’s matrixed, virtual organization, where finesse rather than fiat, and influence rather than command, rule? Tune into Howard M. Guttman’s latest video for a short course on “Building Organizational Support Through Stakeholder Management.”

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# maesa



## Leader's Corner: Gianni Pieraccioni – The Beauty of High-Performance Teams

### What's Maesa's mission?

We're about innovative disruption. We are a brand incubator that carves out new spaces in the marketplace with innovative brands. We challenge convention and redefine the standards of what is possible in beauty and personal care. If you check out our brands on the shelves of our retailers, you'll see that they all have a 2030s vibe, while competitors have a 1990s look. We bring the future into the present.

### What's the brand "incubation" process?

It all starts with a "Blue-Sky" team of marketing and product development specialists, who are keyed into consumer trends and understand science. The team focuses on uncovering gaps and unmet consumers' needs that have not been filled by other brands. Once we identify these gaps, we team up with the right retailer, who has the interest in and capability of tapping the opportunity. We begin to jointly develop with the retailer a brand and suite of products and simultaneously look for a "partner founder," who adds to the equation high visibility and knowledge of the specific beauty category. This initial phase deals with ideation and brand creation. Next, we move on to execution—packaging, positioning, messaging, marketing, and communication. We're then ready to launch the brand with the partner retailer. That retailer has an exclusive right to the brand for one or more years. If the brand turns out to be successful, and we end up assessing, together with our partner retailer, that the brand has achieved its maximum potential in exclusive distribution, we move to multiple distribution by adding other retailers.

### You mentioned that Maesa is about "innovative disruption." What are some examples?

We were the first company to bring to market a hair care line, Kristen Ess, which is the perfect convergence of a mass-market offering—priced accordingly—with a professional-salon performance and heritage and a prestige look and feel. We were also the first company to launch a mass-market fragrance brand—MixBar—offering a variety of fragrances that can be layered on each other to achieve maximum customization, so consumers can create their own personal fragrance.

### There's been a lot of buzz in beauty care for "purer" products that promote sustainability. What has Maesa done?

Some big companies have made pronouncements that sometime in 2025 they will launch sustainable brands. We've moved quickly from talk to action. Our products are totally "clean" in terms of formulation and are animal cruelty-free. In March, we launched Hey Humans, a multi-category personal care brand that is a call-to-action to promote sustainability by waging a war on plastic. It is plant based, vegan, and the packaging is 99% plastic-free and totally recyclable. It was a premiere in the marketplace. We created it, incubated it with a well-known top retailer and with Jada Pinkett Smith and the whole Smith family. We also launched a line of shampoos and conditioners

under the Anomaly brand, which we developed with the Indian superstar and former Miss Universe, Priyanka Chopra. The brand offers a solution for both regular and nonconventional hair, features packaging that is totally made from plastic trash diverted from landfills and oceans, is vegan, and cruelty- and paraben-free. And, by the way, the price is very affordable.

### Do you strive for brand synergy?

We like scale and synergies, but our main focus is not brand synergy. Our products, by strategic choice, are independent of one another. We don't believe in extreme "platforming," where some other beauty operators work off the same or similar packages, formulations, look, and feel. That might improve profit margins, but our competitive advantage hinges upon distinctiveness, product differentiation, and uniqueness.

### What prompted you to pursue the horizontal, high-performance approach?

When I joined the company as CEO in February, Maesa was at an inflection point. A key issue was the gap that existed between the old and new guard on the management team. The old guard was a very entrepreneurial group of great people who have been responsible for the past success of the company. The new guard was a group of proven executives who were injected into the company during the past 18 months to help manage our skyrocketing growth. We needed to create a common culture and forge a new path to future growth. One of my key challenges was to close all gaps and have the team become a unified, truly high-performance one.

### What were some of the old-guard vs new-guard issues?

The company was undergoing a rapid transformation. In the past, Maesa was a business-to-business enterprise specializing in servicing private labels and offering outsourcing. In the last two years and well into the future, the focus has been and will be squarely on becoming a leading player in business-to-consumer brand development and marketing. This transformation was happening in a team consisting of some members who had grown in a small, centralized Maesa, with few employees, and a new generation of leaders with experience in larger companies. As the company has been on a fast-growth trajectory, I wanted the evolving structure to be decentralized, authority to be delegated to increase accountability, and to make the company a place where there is greater risk tolerance.

### In what ways did you hope that Maesa would change as a result of the GDS alignment process?

My vision was to build a more decentralized and interdependent organization, more horizontal, and with less silo thinking and fewer lines of demarcation. I wanted us to move away from a highly individualistic style in order to unleash the power of teams at every level. I wanted a company where decision making would not be just the responsibility of a handful of people at the top but, along with accountability for results, would be widely distributed. Empowerment for real, where all our associates view themselves as owners of the business—that was the goal.

### What was the biggest ah ha! for you personally in going through the GDS team alignment?

I discovered that I needed to be much more patient and willing to be vulnerable. I had to learn to "let it go," especially when I'm tempted to jump in and steer the wagon when things are not moving fast enough. I have to allow my colleagues to do their jobs and give them the space to develop their proposals without interference. The other ah ha! related to members of the senior team. I discovered that they were struggling to act at a more strategic level and get out of the operational "weeds." We had to build a greater sense of teamwork, with redesigned levels of engagement and shared decision making.

### If I were a fly on the wall in your meetings before and after the GDS team alignment, what differences would I notice?

In our post-alignment meetings, you would see a team that is less defensive, more apt to engage in deliberation. You would also see more questioning of one another—even of me—with more attentive listening and more consideration for one another's viewpoints. You would also see more-rapid decision making.

### What's on your unfinished journey toward a horizontal, high-performance organization?

We need to finish training our senior team on the leadership-skills tools necessary to operate as high-performance players, and we need to cascade the alignment process and the skills development to key teams at lower levels throughout Maesa.

### Any advice to other leaders who might be contemplating taking a similar high-performance journey?

Moving to the horizontal, high-performance model is essential, especially given the current new, younger generation of leaders coming up through the ranks. They value more than ever participation, being listened to, having responsibility, and having creative space. If you want to attract and retain young talent, this is the best way to do it. The high-performance-team model is very different from the traditional command-and-control one. It takes willingness to be open, transparent, and vulnerable and the strong belief that when you build an organization of high-performance leaders you do create lasting value. 🌱

## If I Were You:

# The Transition from a High-Performance Team (HPT) to a High-Performance Organization (HPO)

by Howard M. Guttman



Strip away all the theory and jargon about organization development and one central fact remains: There is an urgent need to transform organizations, team by team and enterprise-wide, into horizontal, high-performance entities. It's especially true today, given the ungluing of organizational life. The shift from congregate workplace settings to at-home, virtual ones has led to fundamental challenges in traditional ways of leading, managing, motivating, performing, working, and engaging. Even when we head back to the office post-COVID-19, work life will forever be changed.

If I were the senior team leader, I'd begin the transformation process by stepping back to think about the key "linchpins" of my company: Who are the core players? Which are the key functions? Where are the critical intersection points? What would be different if these were working ideally? What would the end-state of a horizontal, high-performing company feel and look like?

The Overview session of the HPT alignment process, which formally kicks off the transformation, provides an opportunity for GDS to overview the HPT/HPO end state and the process for getting there. This ensures that everyone is on the same page. It also provides an ideal opportunity for the leader to present to the senior team a snapshot of the current "as is" of the company and then offer a contrast with the benefits of the horizontal, high-performance end-state: increased transparency, open and honest feedback, greater peer accountability and decision-making ownership, more fluid handoffs, less underground intrigue, and greater speed and agility at all levels. The most-effective leaders convey their expectations to their team, along with the "why" of the HPT approach and their intent to make the HPT way of leading the organization's driving force.

Many leaders invite executives from the next level to participate in the Overview and will often include key stakeholders in the initial data collection that follows. This is a way to enroll these executives and give them early exposure to the what and why of the transition. It also facilitates their interaction with members of the top team, who, as a result of participating in an HPT alignment, begin to show up much differently as leaders.

If I were you, I'd keep the high-performance journey tightly focused. Today's organizations do not have the luxury of big-bang change initiatives that were once the rage. Focus first on making sure that the top team is aligned on strategy, business deliverables, roles and responsibilities, decision-making ground rules and protocols, and business relationships. The aim is to change the senior team's mindset, skill set, and ways of working and to change how they show up as leaders, not only on their own team, but to their direct reports and the larger organization.

Once the top team is aligned, if I were you, I would develop a message to the executives on the next level that summarizes the goals of the alignment session, what was accomplished, what to expect in terms of leadership behavior, and the follow-up actions that have been planned. This helps to frame the cascading process, which is the next step in the transformation.

How far and fast to cascade the HPT alignment process down from the top team depends on organizational dynamics. If I were you, I'd move the team-alignment process to the next level in the organization, as well as to strategically important product, market, category, and cross-functional teams. And remember that team alignments are not one-and-done events, but an ongoing process of planning, follow-ups, check-ins, coaching, and leadership-skills development.

Another option that a number of clients choose to implement is moving the horizontal, high-performance process across and down deep into the organization, to middle managers, front-line managers, and customer-facing associates. For example:

- Look for opportunities for senior executives to role-model high-performance behavior.
- Promote high-performance engagement sessions with middle managers and supervisors.
- Integrate into corporate curriculums the transference of high-performance skills, such as managing conflict, influencing, and high-performance leadership.
- Ensure that organization structure, systems, and processes, such as those relating to performance and rewards, decision making, succession, communication, HR, training, and IT, support the transition.

Moving the action from high-performance teams to a horizontal, high-performance organization takes a senior leader who sees the business need for doing things differently, possesses a strong intention to make the change, and is willing to put himself or herself "on the line." It also takes a critical mass of senior executives who "get it" and are prepared to reframe the wider organizational context in which they operate.

Avoid the quick-fix trap. If I were you, I'd think like Bob Gamgort, Chairman and CEO of Keurig Dr Pepper. As he once put it, "You have to apply constant effort to remain a high-performance organization. It's not something you learn once and you're cured."

The trek is worth it. Especially today, horizontal, high-performance organizations have a distinct advantage over their sluggish hierarchical rivals. They move faster from idea to implementation; they fully leverage the capabilities of players; and they remain riveted on results across the organization, without all the noise, conflict, and me-versus-them siloism. 🍎

# Building Organizational Support Through Stakeholder Management

by Howard M. Guttman

No man—or woman—is an island, especially in today’s matrixed, empowered organizations, where the support of others is crucial. Now, successful decision making and implementation hinge on influencing, consultation, and engagement, rather than on just “me.” Howard Guttman’s latest video takes you through a clear, practical strategy for building organizational support. Tune in and you’ll likely go from idea to finish with greater speed—and success. 🎧

